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VIA ELECTRONIC FILING

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Application by Verizon New England Inc., et. al. To Provide In-Region, InterLATA Services in Vermont, CC Docket No. 02-7

Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket 01-338

Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket 96-98

Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket 98-147

Dear Mr. Caton:

On Tuesday, April 9, 2002, Robert Quinn and I, both of AT&T, met with Commissioner Abernathy and Matthew Brill and Lori Kalani of the Commissioner's staff. During this meeting, AT&T reiterated its arguments that Verizon's Vermont switching and daily usage file rates are not cost-based and greatly exceed those rates recently approved by the New York Public Service Commission. AT&T also demonstrated that Verizon's excessive rates preclude competitive entry in the Vermont local market and approval of this application would contravene the public interest. The issues raised were consistent with AT&T's written submissions previously filed in Docket 02-7. The attached slides provided a brief outline of the presentation.

As part of that discussion, we also referenced the fact that AT&T has recently filed comments in the Triennial Review dockets referenced above which highlight the need to

establish some form of electronic loop provisioning in order to accelerate the development of facilities-based local competition. We explained that the technology to support electronic provisioning is technically feasible and available today and that electronic provisioning could eliminate some of the enormous financial and technical obstacles to facilities-based competition that current processes present.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy L. Alvarez". The signature is fluid and cursive, with a large, stylized "A" and "L".

cc: Gary Remondino
Julie Veach
Peter Bluhm (VPSB)
Kelly Trainor (DOJ)
Ann Berkowitz (Verizon)

Cost Adjusted Non-Loop Rates

FCC Volumes

Company	State	Total Non-Loop Cost per line per month	VT VZ Rates Relative to NY
VZ	VT	\$14.19	0%
VZ	NY-Ordered	\$7.01	102%

Company	State	Non-Loop SYN Mod Cost per line	VT VZ Cost Relative to NY
VZ	VT	\$5.52	0%
VZ	NY-Ordered	\$3.52	57%

Company	State		Cost Adjusted Relative Non- Loop Rates_VT vs NY
VZ	VT		0%
VZ	NY-Ordered		29%

Implied VZ Non-Loop Cost Adjusted Rate	\$11.00
Implied VZ Non-Loop Rate Reduction	-22%

Connectivity Margin for Verizon Vermont

COSTS	Statewide Average	Zone 1	Zone 2	Zone 3
Zone weights		15%	36%	48%
Loop	\$14.69	\$7.72	\$8.35	\$21.63
Port	\$1.03	\$1.03	\$1.03	\$1.03
Usage	\$8.75	\$8.75	\$8.75	\$8.75
DUF	\$1.03	\$1.03	\$1.03	\$1.03
Platform - Recurring Cost	\$25.50	\$18.53	\$19.16	\$32.44
NRC (not reflected)	\$0.00	\$0.00	\$0.00	\$0.00
Total Platform (w/NRC)	\$25.50	\$18.53	\$19.16	\$32.44

Basic Local Svc

Zone 1	\$	18.35
Zone 2	\$	18.35
Zone 3	\$	18.35
Basic Local Svc -Statewide	\$	18.35

Other Revenue Sources

Features	\$	2.25
Subscriber Line Charge	\$	5.00
Access	\$	1.25

Total Revenue

Zone 1	\$	26.85
Zone 2	\$	26.85
Zone 3	\$	26.85
Total Revenue -Statewide	\$	26.85

Zone 1	\$	8.32	31%
Zone 2	\$	7.69	29%
Zone 3	\$	(5.59)	-21%
Residence Statewide	\$	1.35	5%
Connectivity margin			

DUF Rate Comparison

	Rate	% Diff in Rates VT vs Others	Cost per Line
	Per record		
Vermont	\$ 0.003964	0%	\$ 1.03
New York - Ordered	\$ 0.001001	296%	\$ 0.26